

## **Governor's Commission on Waste, Fraud and Abuse**

Minutes of Meeting held on May 12, 2011

10:00am

Department of Administration, Yahara Room

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**Commission Members Present:** Chairman Rakowski, Mr. Ara Cherchian, Deputy Secretary Archer, Representatives Kerkman and Pocan, Senators Lasee and Larson

**Absent:** None

1. Chairman Rakowski called the meeting to order at 10am.
2. The roll was taken.
3. The April 24 meeting minutes were approved.
4. Testifying was Brett Davis, Alan White, and Mike McKenzie from the Department of Health Services and Ron Hunt from the Department of Children and Families.
5. DHS spoke first from the information in there handouts (refer to agency handouts):
  - Brett Davis said he could have recommendations to the commission for improvements in public assistance program integrity efforts by the end of the following week.
  - Craig asked about the 'tool kit' given to local consortia and counties administering enrollment and program integrity. DHS said they would follow up with what they send public assistance fraud enforcement agencies.
  - There was a discussion regarding the Food Shares program, when Deputy Archer asked if a picture ID could be used on a Quest Card, we were told that a picture ID was not required, but also not prohibited by federal statute.
  - Ara asked about error rates. Mike said keeping errors down requires more staff and good case managers.
  - DHS said they take an error rate count through random sampling. DHS said they were close to being penalized for high error rates a few years ago. DHS then hired a contractor to advise them on how to improve in 2008. The contractor was only paid if DHS qualified for the bonus payment for improving their error rate. DHS said they changed how they defined error and made other improvements and were able to qualify for an improvement award from the federal government.
  - Ara asked if case workers are the same for all public assistance programs. Brett said it varies on consortia to consortia.
  - Brett mentioned that the budget may contain a new income maintenance model that will improve error rates and oversight of fraud.
  - Craig asked about the number of employees at DHS. There are 5,000 with roughly 500 in the central office according to Brett.
  - Craig began asking about the BadgerCare Basic program in response to a recent audit of it. Basic had no requirements or verification procedures for much of 2010. There is no requirement for a face to face interview to apply. The program is projected to drain the entire remaining federal grant available to it and likely will require GPR

before it is terminated. This program also has a large majority of enrollees with no income. When DHS was asked how individuals with no income can pay for the premium, they could not answer.

- DHS said they use DWD wage data to determine eligibility. However, when asked about income that isn't reported to DWD that may be at DOR they said they don't use that.
- Senator Lasee talked about consolidating payment systems for Medicaid with TriCare and Medicare to find efficiencies.

5. DCF (refer to agency handouts):

- Ron Hunt discussed recommendations for improvement to Wisconsin Shares. He recommended treating day care's as businesses and putting more resources in fraud detection.
- Kris talked about the W-2 program and how they are exploring a model from Tennessee where agencies are given less than they need in budget and they make up the difference in incentive payments for moving W-2 enrollees from welfare to work.
- Kris also talked about improving contract RFP's but this can't be done until they run out at the end of 2012.
- Lasee asked about how many W-2 recipients max out the 60 week limit and what happens at that time. DCF said they would have to follow up.

6. The Commission discussed topics to add to the agenda such as adding staff to the Department of Revenue to increase collections of back taxes. This suggestion was offered by Representative Pocan.

7. Chairman Rakowski adjourned the meeting.